

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION**

In re: ) Case No. 19-40883-659  
) CHAPTER 11  
PAYLESS HOLDINGS LLC, *et al.*,<sup>1</sup> )  
) (Joint Administration Requested)  
)  
Debtors. ) Hearing Date: February 19, 2019  
) Hearing Time: 1:30 p.m. (Central Time)  
) Hearing Location: Courtroom 7 North  
)

**SUPPLEMENTAL DECLARATION OF JOSEPH A. MALFITANO  
IN SUPPORT OF DEBTORS' APPLICATION FOR  
ENTRY OF ORDER, PURSUANT TO SECTIONS 327(a)  
AND 328(a) OF THE BANKRUPTCY CODE, (I) AUTHORIZING  
EMPLOYMENT AND RETENTION OF MALFITANO ADVISORS, LLC  
AS THE DEBTORS' ASSET DISPOSITION ADVISOR AND CONSULTANT, *NUNC  
PRO TUNC* TO THE PETITION DATE AND (II) GRANTING RELATED RELIEF**

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I, Joseph A. Malfitano, hereby declare under penalty of perjury and pursuant to 28 U.S.C. § 1746 that the following is true and correct to the best of my knowledge, information, and belief:

1. I am the Managing Member of Malfitano Advisors, LLC ("Malfitano").
2. I am duly authorized to make and submit this supplemental declaration (this "Supplemental Declaration") on behalf of Malfitano in support of the *Debtors' Application for*

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<sup>1</sup> The Debtors (as defined herein) in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: [Payless Holdings LLC [5704]; Payless Intermediate Holdings LLC [5190]; WBG-PSS Holdings LLC [0673]; Payless Inc. [3160]; Payless Finance, Inc. [2101]; Collective Brands Services, Inc. [7266]; PSS Delaware Company 4, Inc. [1466]; Shoe Sourcing, Inc. [4075]; Payless ShoeSource, Inc. [4097]; Eastborough, Inc. [2803]; Payless Purchasing Services, Inc. [3043]; Payless ShoeSource Merchandising, Inc. [0946]; Payless Gold Value CO, Inc. [3581]; Payless ShoeSource Distribution, Inc. [0944]; Payless ShoeSource Worldwide, Inc. [6884]; Payless NYC, Inc. [4126]; Payless ShoeSource of Puerto Rico, Inc. [9017]; Payless Collective GP, LLC [2940]; Collective Licensing, LP [1256]; Collective Licensing International LLC [5451]; Clinch, LLC [9836]; Collective Brands Franchising Services, LLC [3636]; Payless International Franchising, LLC [6448]; Collective Brands Logistics, Limited [6466]; Dynamic Assets Limited [1978]; PSS Canada, Inc. [4969]; Payless ShoeSource Canada Inc. [4180]; Payless ShoeSource Canada GP Inc. [4182]; and Payless ShoeSource Canada LP [4179]]. With respect to certain taxing authorities, the Debtors' address is 2001 Bryan Street, Suite 800, Dallas, TX 75201. However, the location of Debtor Payless Holdings LLC's corporate headquarters and the Debtors' service address is: c/o Payless ShoeSource Inc., 3231 S.E. 6th Avenue, Topeka, Kansas 66607.

*Entry of Order, Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code, (I) Authorizing Employment and Retention of Malfitano Advisors, LLC as the Debtors' Asset Disposition Advisor and Consultant, Nunc Pro Tunc to the Petition Date, and (II) Granting Related Relief (the "Application").*<sup>2</sup> Except as otherwise noted, I have personal knowledge of the matters set forth herein.

### **BACKGROUND**

3. On February 19, 2019, the Debtors filed the Application. In connection therewith, I submitted a declaration in support of the Application, which was attached to the Application as Exhibit A.

### **SUPPLEMENTAL DISCLOSURE**

4. Malfitano hereby discloses that pursuant to the Services Agreement, on February 11, 2019, the Debtors paid M-Advisors \$100,000.00 as an initial evergreen retainer (the "Initial Retainer"). On February 15, 2019, the Debtors paid M-Advisors \$92,861.63 to replenish the Initial Retainer. As of the Petition Date, M-Advisors was holding \$90,822.36 as a retainer.

5. At any time during the period of Malfitano's engagement, if Malfitano should discover any facts bearing on the matters described herein, Malfitano will supplement the information contained in this Supplemental Declaration.

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Application.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: February 19, 2019

MALFITANO ADVISORS, LLC

/s/ Joseph Malfitano  
Joseph A. Malfitano, Managing  
Member